[No. 247]

(HB 4280)

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," (MCL 324.101 to 324.90106) by adding section 61503c.

The People of the State of Michigan enact:

324.61503c Violation of §324.61503a or §324.61503b; penalty; injunction or damages; separate offenses; recovery of postproduction costs and attorney fees; notice. [M.S.A. 13A.61503c]

Sec. 61503c. (1) Notwithstanding section 61522, a person who knowingly violates section 61503a or 61503b is responsible for the payment of a civil fine of not more than \$1,000.00. A default in the payment of a civil fine or costs ordered under this section or an installment of the fine or costs may be remedied by any means authorized under the revised judicature act of 1961, 1961 PA 236, MCL 600.101 to 600.9948.

- (2) The attorney general or the lessor of a gas lease with respect to his or her lease may bring an action in circuit court for injunctive relief or damages, or both, against a person who violates section 61503a or 61503b.
- (3) If a person who has entered into a gas lease as a lessee violates section 61503a or 61503b, each day the violation continues constitutes a separate offense only for 5 days; thereafter, each day the violation continues does not constitute a separate offense. If a person who has entered into a gas lease as a lessee violates section 61503a or 61503b and such a violation affects more than 1 lessor having an interest in the same well, pooled unit, or unitized area, the violation as to all lessors shall constitute only 1 offense.
- (4) If a court finds that a lessee deducted postproduction costs from a lessor's royalty contrary to section 61503b(1), the lessor may recover as damages the amount of postproduction costs deducted contrary to section 61503b(1). In addition, a party who prevails in litigation under this subsection may recover reasonable attorney fees incurred in bringing an action under this subsection, if the court finds that the position taken by the nonprevailing party in the litigation was frivolous.
- (5) A person shall not bring an action under this section unless the person has first given the lessee written notice of the alleged violation of section 61503a or 61503b, with reasonably comprehensive details, and allowed a period of at least 30 days for the lessee to cure the alleged violation.

Effective date.

Enacting section 1. This amendatory act takes effect upon the expiration of 90 days after the date of its enactment.

1999 PUBLIC AND LOCAL ACTS

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless House Bill No. 4281 of the 90th Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved December 28, 1999.

Filed with Secretary of State December 28, 1999.

Compiler's note: House Bill No. 4281, referred to in enacting section 2, was filed with the Secretary of State December 28, 1999, and became P.A. 1999, No. 246, Eff. Mar. 28, 2000.